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Subchapter V Trustee

UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA, LOS ANGELES DIVISION

In re

ADLI LAW GROUP P.C.,

Debtor.

Case No. 2:21-bk-18572-BB

Chapter 11 (Subchapter V)

**ORDER AUTHORIZING TRUSTEE AND
DEBTOR TO ENTER INTO INSURANCE
PREMIUM FINANCE AGREEMENT
AND TO PROVIDE ADEQUATE
PROTECTION**

Hearing Date

Date: December 21, 2022
Time: 10:00 a.m.
Place: 255 E. Temple Street
Los Angeles, CA 90012

Hon. Sheri Bluebond

The Court has considered the "Joint Motion of Debtor and Subchapter V Trustee for Authority to Enter into Insurance Premium Finance Agreement and to Provide Adequate Protection" [Dkt. #304] (the "Motion") by which Adli Law Group, P.C., chapter 11 debtor



1 ("Debtor") and Gregory K. Jones, the Subchapter V trustee ("Trustee") seek the Court's approval
2 of and authorization to execute the Insurance Premium Finance Agreement (the "Premium Finance
3 Agreement"), a copy of which is attached to the Motion as Exhibit A, and to provide adequate
4 protection of the interests of FIRST Insurance Funding, a Division of Lake Forest Bank & Trust
5 Company, N.A. ("FIRST") in the bankruptcy case and, it appearing to the Court that the operative
6 facts as presented in the Motion and supporting declarations, and those appearing in the Motion,
7 warrant approval of the Motion, and good cause appearing therefor,

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9 **IT IS HEREBY ORDERED** as follows:

- 10 1. The Motion is granted.
- 11 2. Debtor and the Trustee are authorized and directed to:
- 12 a. enter into the Premium Finance Agreement attached to the Motion as
- 13 **Exhibit A;**
- 14 b. grant FIRST or its successor or assigns a first priority lien on and security
- 15 interest in the Policy¹, including in the unearned premiums and other
- 16 collateral (collectively, the "Collateral"), as described in the Premium
- 17 Finance Agreement; and
- 18 c. timely make all payments due under the Premium Finance Agreement.
- 19 FIRST is authorized to receive and apply such payments to the Indebtedness
- 20 owed by Debtor to FIRST as provided in the Premium Finance Agreement.

21 3. Without limitation, the liens, security interests and rights in the Collateral granted

22 under the Premium Finance Agreement: (i) are senior to (a) the liens of any lender providing DIP

23 or cash collateral financing in this Case, and (b) to any claims under 11 U.S.C. §§ 503, 506(c) or

24 507(b); and (ii) shall not be subject to avoidance, priming or surcharge by any party in interest.

25 Pursuant to the Premium Finance Agreement, the Debtor irrevocably appoints FIRST as its

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28 ¹ Capitalized terms not defined herein shall have the meaning ascribed in the Motion or Premium Finance Agreement,
as applicable.

1 attorney-in-fact in the event of default to cancel any financed insurance Policy and collect the
2 Collateral, as described infra.

3 4. If additional premiums become due to insurance companies under the Policy
4 financed under the Premium Finance Agreement, Debtor and FIRST or its successor or assigns are
5 authorized to modify the Premium Finance Agreement as necessary to pay the additional
6 premiums without the necessity of further hearing or order of this Court.

7 5. In the event Debtor does not make any of the payments under the Premium Finance
8 Agreement as they become due, the automatic stay shall be automatically modified to enable
9 FIRST and/or third parties (without further order of this Court), including insurance companies
10 providing the protection under the Policy, to take all steps necessary and appropriate to cancel the
11 Policy, collect the Collateral and apply such Collateral to the Indebtedness owed to FIRST by
12 Debtor.

13 6. FIRST, or any third party, including insurance companies providing the coverage
14 under the Policy, exercising such rights shall comply with the notice provisions and other
15 provisions of the Premium Finance Agreement.

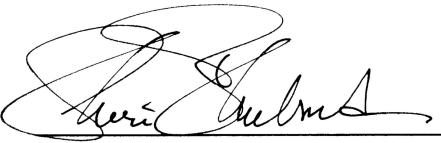
16 7. The Premium Finance Agreement and the liens and security interests in the
17 unearned premiums granted pursuant hereto shall continue in full force and effect and
18 Indebtedness due under the Premium Finance Agreement shall remain due and owing
19 notwithstanding: (i) the dismissal or closure of this Case, (ii) the discharge of the Debtor, or (iii)
20 the confirmation of a plan of reorganization.

21 8. To the extent that any audits need to be performed by any carrier on the Policy, the
22 Debtor or the Trustee shall reasonably cooperate.

1 9. The terms and conditions of this Order will be immediately effective and
2 enforceable upon its entry.

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24 Date: December 28, 2022


Sheri Bluebond
United States Bankruptcy Judge